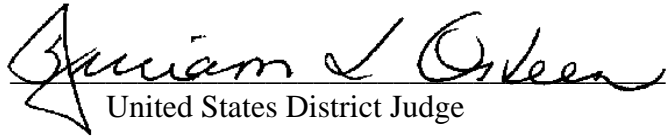


- b. continuing support of tobacco farmer projects to improve quality of leaf tobacco; and
 - c. research to reduce Tobacco Specific Nitrosamines and/or suspected harmful substances in tobacco leaf.
- 2. This Order shall not affect funds held by Howrey for other purposes as set forth in the Settlement Agreement.
- 3. The North Carolina Tobacco Foundation shall provide an annual accounting of receipts and disbursements to this Court by October 1 of each year, with a copy to Howrey LLP, attention Alan Wiseman or his designee.
- 4. To the extent that qualified proposals are submitted, the Foundation shall allocate money to the University of Kentucky for burley tobacco projects, bearing in mind the approximate proportion of burley and flue-cure tobacco production.
- 5. Any proposed amendment of the *Program Guidelines Agreement* or of the *Directed Fund Agreement* between the Tobacco Education & Research Council, Inc. and the North Carolina Tobacco Foundation Inc. shall be submitted to this Court for review and approval, with a copy to Howrey LLP and Alan Wiseman or his designee.
- 6. The North Carolina Tobacco Foundation, Inc. shall determine which expenditures and grants are consistent with the terms of Section 5.2 of the Settlement Agreement, and is to reject any requests for funds that are not in compliance with Section 5.2 of the Settlement Agreement.

7. Prior to transfer of the funds referred to herein, the North Carolina Tobacco Foundation, Inc. shall enter an appearance in this Court and agree to be bound by the terms of this Order.

This the 21st day of July 2006.


United States District Judge